
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

SHELBY COUNTY AMENDMENT RE-TRENDING DIRECTIVE

The Department of Local Government Finance ("Department") passed Resolution 2007-10 on September 4, 2007, pursuant to Indiana Code section 6-1.1-4-9, finding sufficient cause to believe it necessary to re-trend real property in Shelby County, Indiana.

On September 27, 2007, at 5:00pm, the Department held a public hearing regarding the re-trending of real property in the Shelbyville Central High School Auditorium, located at 2003 South Miller Street, Shelbyville, Indiana. The public hearing was held in the high school auditorium pursuant to Indiana Code sections 6-1.1-4-9 and 10 at the request of and in accordance with a resolution approved by the Shelby County Commissioners on September 4, 2007, stating that there was no area in the county courthouse able to accommodate more than 60 or 70 people at one time.

On October 12, 2007, based on the evidence and the testimony of Shelby County officials and taxpayers at the aforementioned public hearing, the Department issued the Shelby County Re-Trending Directive attached hereto (Exhibit A) and made a part hereof, except to the extent that this Amendment conflicts with the Directive, in which case, the Amendment controls.

On January 2, 2008, Shelby County Assessor Lynn Bass and Shelby County Auditor Amy Glackman initiated a telephone conference with Commissioner Cheryl A.W. Musgrave, the sum and substance of which indicated there were approximately twenty-eight thousand (28,000) parcels affected by the ordered re-trending, which represented far more corrections than the County had anticipated, and, therefore, the County now believed that the best method of achieving accurate values and statements in an efficient manner would be to receive new tax rates and issue corrected tax statements.

On January 4, 2008, the Department received a letter from Shelby County Assessor Lynn Bass, wherein Ms. Bass requested an amendment to the Shelby County Re-trending Directive in order to receive new tax rates and to issue corrected tax statements to taxpayers for the 2006-pay-2007 assessed values (Exhibit B).

On January 4, 2008, in an effort to be able to respond to the County's request with certainty, the Department requested a more detailed statement from the County and requested that said request be signed by Shelby County Assessor Lynn Bass, Shelby County Auditor Amy Glackman, and Shelby County Treasurer Kathy Plunkett.

On January 18, 2008, the Department received a letter from Ms. Bass, Ms. Glackman, and Ms. Plunkett wherein they requested the Shelby County Re-trending Directive be amended to allow Shelby County to roll new values to the County Auditor, receive new tax rates, and issue corrected tax statements (Exhibit C).

After a thorough review of the request signed by the Shelby County Assessor, Shelby County Auditor, and Shelby County Treasurer stating that an amendment to the Re-trending Directive permitting the County to roll new values, receive new tax rates, and issue corrected tax statements would result in "the most accurate and accountable results to the residents of Shelby County;" and pursuant to Indiana Code chapters 6-1.1-4 and 6-1.1-9, and House Enrolled Act (HEA) 1010, the Department hereby AMENDS the Shelby County Re-trending Directive and directs as follows:

Tax Rates

1. As requested, this Amendment hereby voids the use of the tax rates previously certified by the Department for Shelby County's first installment for 2006-pay-2007. HEA 1010, Section 7; Ind. Code § 6-1.1-17-16.
2. As requested, new tax rates shall be established for Shelby County for 2006-pay-2007. HEA 1010, Section 7.
3. The Department shall give the political subdivisions of Shelby County written notification specifying any revision, reduction, or increase the Department proposes in the political subdivision's tax rate. The political subdivision has two (2) weeks from the date it receives the notice to provide a written response to the Department; however, with the approval of and in coordination with the Department, the two (2) week period may be waived by the political subdivision in order to expedite the process. HEA 1010, Section 7; Ind. Code § 6-1.1-17-16.

Assessed Values

4. As requested, upon completion of the work described in the Re-trending Directive and this Amendment, the Shelby County Assessor shall roll the new assessed values to the County Auditor. HEA 1010, Section 7.

Requirement of Reconciliation Bill and Notice of Change in Assessment

5. Upon completion of the work required under the Shelby County Re-trending Directive and this Amendment, the Shelby County Treasurer shall issue tax bills (called "reconciliation bills" in this Amendment) on each and every parcel in the County based on the new established assessed values. The reconciliation bills are required even if the taxpayer does not owe additional taxes or is entitled to claim a refund. HEA 1010, Section 7; Ind. Code § 6-1.1-22.5-4.
6. Each reconciliation bill must indicate the following:

- a. the actual property tax liability on the assessment determined for the assessment date for the property for which the reconciling statement is issued;
 - b. the total amount paid under the tax bill for the property for which the reconciling statement is issued;
 - c. if the amount of the actual property tax liability on the reconciliation bill exceeds the amount of the total paid under the previously issued tax bill for the property for which the reconciliation bill is issued, the difference is owed by the taxpayer; and
 - d. if the amount paid under the previously issued tax bill for the property exceeds the actual property tax liability on the reconciliation bill, the taxpayer may claim a refund of the excess under Indiana Code section 6-1.1-26. Ind. Code § 6-1.1-22.5-12.
7. Prior to the mailing of the reconciliation bill, the Shelby County Assessor shall give separate notice to the taxpayer, by mail, of the amount of the assessment or reassessment on each and every parcel. This notice of change in assessment is required even if the assessment for the parcel did not change or decrease in value. A taxpayer may obtain a review by the county property tax assessment board of appeals (PTABOA) of a county or township official's action with respect to the assessment of the taxpayer's tangible property. In order to obtain a review of the assessment, the taxpayer must file a notice in writing with the county or township official not later than forty-five (45) days after the date of the notice and in the manner prescribed by Indiana Code chapter 6-1.1-15. Ind. Code § 6-1.1-9-1; Ind. Code § 6-1.1-4-22; Ind. Code § 6-1.1-15-1.

Property Tax Billing and Payment Issues

8. The reconciliation bills shall be mailed to taxpayers no later than April 1, 2008. Payments for the **reconciliation bills shall be due on April 18, 2008.**
9. The interest and penalty provisions of Indiana Code section 6-1.1-37-10 apply to the reconciliation bills in the same manner as it applies to an installment of property taxes. Ind. Code § 6-1.1-22.5-17.
10. Not later than fifty-one (51) days after the due date of the reconciliation bills, the County Auditor shall:
- a. file with the Auditor of State a report of settlement; and
 - b. distribute tax collections to the appropriate taxing units. Ind. Code § 6-1.1-22.5-14.


Assessment Appeals

11. All pending assessment appeals for the March 1, 2006 assessment date shall be stayed pending the completion of the work required by the Shelby County Re-trending Directive and this Amendment. Any exemption appeals that may be pending shall continue to be processed according to Indiana law.

12. Upon conclusion of the work required by the Re-trending Directive and this Amendment, the County Assessor shall implement a procedure for promptly contacting taxpayers who had filed an appeal before the mailing of the reconciliation bill, to determine whether the taxpayer wishes to pursue the previously filed appeal. If the taxpayer chooses to pursue the appeal, it shall be processed in accordance with Indiana Code chapter 6-1.1-15. If the taxpayer chooses to withdraw the appeal, the County Assessor shall confirm this fact in writing and dismiss the appeal petition.

13. Any assessment appeals filed after completion of the work required by the Directive and this Amendment shall be processed in accordance with Indiana Code chapter 6-1.1-15. Ind. Code § 6-1.1-22.5-16.


Signed this 30th day of January, 2008


Cheryl A. W. Musgrave, Commissioner
Department of Local Government Finance

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Timothy J. Rushenberg, General Counsel for the Department of Local Government Finance, hereby certifies that the above is an order of the Commissioner made this date in the above-entitled matter and that the Commissioner has personally signed the same under her statutory authority.

WITNESS MY HAND AND SEAL of this Commissioner on this the 30th day of January, 2008.


Timothy J. Rushenberg, General Counsel

Attachments:

- Exhibit A -- Re-trending Directive, October 12, 2007 (11 pages)
- Exhibit B -- Assessor request letter, January 4, 2008 (1 page)
- Exhibit C -- Assessor, Auditor, Treasurer request letter, January 18, 2008 (1 page)

Distribution:

O. Lynn Bass
Shelby County Assessor
25 West Polk Street, Rm 205
Shelbyville, Indiana 46176

Amy Glackman
Shelby County Auditor
25 West Polk Street, Rm 104
Shelbyville, Indiana 46176

Kathy Plunkett
Shelby County Treasurer
25 West Polk Street, Rm 102
Shelbyville, Indiana 46176

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
PHONE (317) 232-3777
FAX (317) 232-8779



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204

SHELBY COUNTY – RE-TRENDING DIRECTIVE

The Department of Local Government Finance (Department) passed Resolution 2007-10 on September 4, 2007, pursuant to Ind. Code § 6-1.1-4-9, finding sufficient cause to believe it necessary to re-trend real property in Shelby County, Indiana (Shelby County).

The Department published notice of a public hearing in accordance with Ind. Code § 6-1.1-4-10 and held a public hearing regarding the re-trending on Thursday, September 27, 2007, at 5:00 p.m., in the Shelbyville Central High School Auditorium, located at 2003 South Miller Street, Shelbyville, Indiana. The public hearing was held in the high school auditorium at the request of and in accordance with a resolution approved by the Shelby County Commissioners on September 4, 2007, stating that there was no area in the county courthouse able to accommodate more than 60 or 70 people at one time.

After thorough review of all evidence and testimony before the Department, the Department now makes the following findings regarding the need for the re-trending of real property in Shelby County as of the March 1, 2006, assessment date:

WHEREAS, the Department is charged with maintaining a just and equitable valuation of real property throughout the state; and

WHEREAS, the Department finds the accurate assessment of real property to be an indispensable requirement for a fair and equitable system of property taxation; and

WHEREAS, Ind. Code § 6-1.1-31-5 states that the rules adopted by the Department are the basis for determining the true tax value of tangible property; and

WHEREAS, Ind. Code § 6-1.1-31-5 requires county assessors to comply with the rules, appraisal manuals, bulletins, and directives adopted by the Department; and

WHEREAS, Ind. Code § 36-2-15-5 requires that county assessors perform the functions assigned by statute to the county assessors; and

WHEREAS, Ind. Code § 6-1.1-9-6 requires county assessors to assess all omitted or undervalued tangible property which is subject to assessment in accordance with the provisions of the article; and

WHEREAS, the Department has adopted 50 IAC 21, an administrative rule that requires the annual adjustment of all real property values in accordance with Ind. Code § 6-1.1-4-4.5 beginning with the March 1, 2006, assessment date; and

WHEREAS, the valuation date for the March 1, 2006 assessment date is January 1, 2005 and the valuation date for the March 1, 2005 assessment date is January 1, 1999; and

WHEREAS, the assessment-to-sales ratio study submitted by the Shelby County Assessor indicated that assessments on residential property in the county were outside of the range of accuracy, specifically:

- a) Improved residential property assessments in Addison, Hanover, Hendricks, and Shelby Townships were outside the acceptable range of assessment accuracy required by 50 IAC 21; and

WHEREAS, the assessment-to-sales ratio study submitted by the Shelby County Assessor indicated that assessments on residential property in the county were regressive or progressive, specifically:

- a) Unimproved residential property assessments in Hanover and Liberty Townships were outside the acceptable range of assessment uniformity required by 50 IAC 21; and

WHEREAS, the assessment-to-sales ratio study submitted by the Shelby County Assessor indicated that assessments on commercial property in the county were outside of the range of accuracy, specifically:

- a) Improved commercial property assessments in Union Township were outside the acceptable range of assessment accuracy required by 50 IAC 21; and
- b) Unimproved commercial property assessments in Addison Township were outside of the acceptable range of assessment accuracy required by 50 IAC 21; and

WHEREAS the assessment-to-sales ratio study submitted by the Shelby County Assessor indicated that assessments on industrial property in the county were regressive or progressive, specifically:

- a) Improved industrial property assessments in Addison and Brandywine Townships were outside the acceptable range of assessment uniformity required by 50 IAC 21; and

WHEREAS, a county-wide analysis of gross assessed values on all classes of industrial parcels revealed that seventy percent (70%) of these parcels had no change in assessed values from the 2005 assessment year to the 2006 assessment year; and

- a) Six (6) sales were reported for improved industrial property county-wide out of three hundred two (302) total parcels; and
- b) Four (4) sales were reported for unimproved industrial property county-wide out of one hundred ten (110) total parcels; and

- c) No evidence was submitted before or during the public hearing to show that other data or information, as specified in 50 IAC 21-5-2(b), was utilized in the annual adjustment process; and

WHEREAS, a county-wide analysis of gross assessed values on all classes of commercial parcels revealed that eighty-nine percent (89%) of these parcels had no change in assessed values from the 2005 assessment year to the 2006 assessment year; and

- a) Six (6) sales were reported for vacant commercial property county-wide out of three hundred sixty-nine (369) total parcels; and
- b) Thirty-two (32) sales were reported for improved commercial property county-wide out of nine hundred thirty-seven (937) total parcels; and
- c) No evidence was submitted before or during the public hearing to show that other data or information, as specified in 50 IAC 21-5-2(b), was utilized in the annual adjustment process; and

WHEREAS, a county-wide analysis of gross assessed values on all classes of residential parcels revealed that sixty-eight percent (68%) of these parcels had no change in assessed values from the 2005 assessment year to the 2006 assessment year; and

WHEREAS, 50 IAC 21-5-2(b) provides that if assessing officials determine there are insufficient sales of commercial or industrial improved property in a township or county to determine an annual adjustment factor, the county shall use other data or information to derive annual adjustment factors or modify the values of commercial and industrial property, including, but not limited to:

- Marshall and Swift cost and depreciation tables from the first quarter of the calendar year preceding the assessment date; and
- Income data, rental data, market value appraisals, and other relevant evidence adjusted, as applicable to the January 1, 2005 valuation date; and

WHEREAS, it is the judgment of the Department that reassessment, specifically, re-trending, is necessary to correct these problems with Shelby County's valuations for the March 1, 2006, assessment date; and

WHEREAS, the Department has concluded based on the evidence and testimony presented that a review of residential, commercial, and industrial properties is warranted; and

WHEREAS, the review of commercial and industrial real property for Shelby County will proceed more efficiently and effectively if the County Assessor utilizes Marshall and Swift cost and depreciation tables, income data, market value appraisals, or other information and data as described in 50 IAC 21-5-2 as additional methodologies and means to determine whether and

to what extent commercial and industrial real properties should be further adjusted to the January 1, 2005 valuation date, subject to supervision by the Department; and

WHEREAS, the Department was presented with convincing evidence at the public hearing that any directed re-trending should occur in a manner that permits Shelby County property taxpayers to pay their 2006-pay-2007 property tax bills, and allow their local schools and other taxing units to collect their property tax levies as soon as possible; and

WHEREAS, the majority of Shelby County residents and officials who spoke at the public hearing specifically requested a Directive be issued rather than a Reassessment Order; and

WHEREAS, the Department hereby recognizes the extraordinary efforts and hard work of the Shelby County Assessor, O. Lynn Bass, and her staff that took office in January 2007 in achieving data compliance.

NOW THEREFORE, in light of the above findings, the Department finds that a full reassessment is not appropriate for the Shelby County March 1, 2006, assessments. However, the Department may find it necessary to order a partial reassessment under Ind. Code § 6-1.1-4-9 if the issues discussed above are not addressed by the County Assessor. As an acceptable alternative and in lieu of a partial reassessment order, the Department directs the County Assessor to follow her statutory duty under Ind. Code § 6-1.1-9 and implement the following process:

Review for Undervalued or Omitted Property

1. In order to maintain a just and equitable valuation of real property, the County Assessor should perform a review of all residential, commercial, and industrial real property in Shelby County for the March 1, 2006, assessment date, subject to approval by the Department. This review should be performed for the purposes of detecting and correcting undervalued and omitted property as required by Ind. Code § 6-1.1-9. The actions suggested for this review are explained in detail below.

2. The review of residential, commercial, and industrial real property in Shelby County, including adjustments to assessed values and a Department-approved ratio study, should be completed by **January 15, 2008**. A request for an extension, if necessary, shall be made to the Department in writing. Any changes to assessed values shall be made in accordance with Ind. Code § 6-1.1-9-5.

3. The valuation date for purposes of valuing undervalued and omitted properties under this directive shall be January 1, 2005, and the assessment date is March 1, 2006.

4. The County Assessor shall promptly provide any assistance requested by the Department and produce any documents, records, or other work product within three (3) business days of a written request by the Department.

5. In accordance with Ind. Code § 6-1.1-9-6, the Township Assessors in Shelby County and the Shelby County Auditor (County Auditor) shall promptly provide all records and assistance requested by the County Assessor for this review.

Combination of Parcels

6. Pursuant to the requirements of Ind. Code § 6-1.1-5-16, the County Assessor shall consolidate more than one (1) existing contiguous parcel into a single parcel if the assessing official has knowledge that an improvement to the real property is located on or otherwise significantly affects the parcels.

Authority to Retain a Professional Appraisal Firm

7. The review of residential, commercial, and industrial real property shall be completed in an expedited manner.

8. The County Assessor may either utilize the current professional appraiser contracted by her office or retain a new certified professional appraiser to perform the re-trending, subject to the approval of the Department. All work conducted by a certified professional appraiser is subject to the approval and supervision of the Department.

9. If the County Assessor chooses to retain a new certified professional appraiser to perform the re-trending under this directive, the Department expressly authorizes her to retain a certified professional appraiser to perform the re-trending through Special Procurement and without employing the provisions of Ind. Code § 6-1.1-4-17. A contract between the County Assessor and a certified professional appraiser shall be reviewed for approval by the Department under Ind. Code § 6-1.1-4-18.5.

10. Any professional appraiser retained by the County Assessor shall use as much information as already has been compiled by the assessing officials as is useful in completing the re-trending.

11. The 2005 Trending Adjustment contract between the County Assessor, Township Assessors, and their professional appraiser, Accurate Assessments, Inc., contains a termination provision in paragraph 14.

12. The Department encourages the County Assessor, Township Assessors, and the attorney or attorneys for Shelby County to review the county's contract with the professional appraiser to determine if it is contractually permissible and in the county's best interest to terminate the contract with their current professional appraiser, Accurate Assessments, Inc.

13. In this directive, any reference to the County Assessor shall be interpreted to include reference to any certified professional appraiser that may be retained by the County Assessor.

Scope of Work – Land Valuation

14. The County Assessor shall evaluate commercial and industrial real property land values.

15. The County Assessor shall use the methodologies approved by the Department in 50 IAC 2.3 and 50 IAC 21 to make a determination in regard to the accuracy of current land values. If sufficient sales data is not available, the County Assessor shall use any data or information authorized under 50 IAC 21-5-2(b).

16. The County Assessor is required to establish new land base rates if the existing base rates are inaccurate.

17. The evaluation of land values shall not be considered complete until the Department has reviewed the proposed land values and provided written approval of a sales ratio study for each township.

Scope of Work – Neighborhood Evaluation

18. The County Assessor shall use current GIS maps, if available, and other information to review neighborhood boundaries and refine, develop, modify, or delineate assessment neighborhood boundaries to reflect comparable properties and property use groups. In order to accomplish this review, the County Assessor shall be granted access to any such GIS maps or other information necessary.

19. In accordance with 50 IAC 21-4-1, the County Assessor should not merely stratify properties and sales according to their classification, that is, residential and commercial, and develop one (1) neighborhood and one (1) annual adjustment factor for the entire class of property. Properties throughout any given municipality or area, even though they have the same classification, may vary considerably in quality, style, age, location, and amenities and, therefore, may change in value at differing rates. Sales used to develop annual adjustment factors must be comparable to the properties for which the factors are being developed. In other words, the County Assessor shall endeavor to ensure that the factors are developed from a sample of sales that is representative to the population of parcels to which the factor or factors will ultimately be applied.

Scope of Work – Residential Properties

20. The County Assessor shall review and adjust the assessments of all residential properties. In reviewing and adjusting residential properties, the County Assessor must use assessment methodology approved by the Department in either 50 IAC 2.3 or 50 IAC 21.

21. The County Assessor shall review and adjust all residential land values in accordance with 50 IAC 21.

22. A review of the residential neighborhood delineations shall be completed to determine if the delineations used adequately placed like property into homogeneous geographic groups. If the review identifies inadequacies in the delineations, the County Assessor shall

modify neighborhood boundaries and base the new delineations on geographic areas exhibiting a high degree of similarity as required by 50 IAC 21-4-1.

23. In areas where values are erratic and geographic neighborhood delineations are not sufficiently homogeneous, the County Assessor shall either reassess the properties in that area or further stratify properties by property characteristics, developing separate factors for various property strata in accordance with 50 IAC 21-4-1.

24. In accordance with Ind. Code § 6-1.1-4-39 and 50 IAC 21-5-3, stratification, if appropriate, and annual adjustment of real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more and that has more than four (4) rental units shall value such property by applying the least of the following appraisal approaches:

- (1) The cost approach.
- (2) The sales comparison approach.
- (3) The income capitalization approach.

25. In accordance with Ind. Code § 6-1.1-4-39(b) and 50 IAC 21-5-3, stratification, if appropriate, and annual adjustment of real property that has at least one (1) and not more than four (4) rental units shall use the gross rent multiplier method to value such property.

Scope of Work – Cost Approach

26. The County Assessor shall develop an annual adjustment factor for all non-residential properties using updated cost and depreciation tables that reflect property values for January 1, 2005, and shall apply the factor to either the individual components or the overall improvement value.

27. The annual adjustment factors developed under the cost approach must be approved in writing by the Department before they are applied to the value of any property. If the Department rejects the annual adjustment factors, the County Assessor shall develop new factors.

Scope of Work – Sales Approach

28. The County Assessor shall evaluate the validity of each sale from the 2004 and 2005 sales disclosure file database, and where applicable, generate and apply an annual adjustment factor.

29. The annual adjustment factors developed under the sales approach must be approved in writing by the Department before they are applied to the value of any property. If the Department rejects the annual adjustment factors, the County Assessor shall develop new factors.

Scope of Work – Reconciliation of Cost and Sales Approaches

30. Once the factors have been determined under the cost and sales approaches, those factors shall be compared and reconciled in accordance with generally accepted appraisal practices to develop a final annual adjustment factor for each non-residential property.

31. The final annual adjustment factors developed under the cost and sales approaches must be approved in writing by the Department before they are applied to the value of any property. If the Department rejects the annual adjustment factors, the County Assessor shall develop new factors.

32. Once the final annual adjustment factors have been developed by the County Assessor, the County Assessor shall provide a report for data entry into a CAMA system. Once the final annual adjustment factors have been developed by the County Assessor, the county Assessor shall ensure that the data is entered into a CAMA system, either by the assessing officials or otherwise.

Scope of Work – Income Approach

33. The County Assessor may use the income approach to develop assessed values for non-residential properties as she deems appropriate. Any assessment changes resulting from application of the income approach must be approved in writing by the Department before they are applied to the value of any property.

34. If the Department rejects the income approach assessed values, the County Assessor shall develop assessed values for those properties using the cost and sales approaches. The final annual adjustment factors developed under the cost and sales approaches must be approved in writing by the Department before they are applied to the value of any property. If the Department rejects the annual adjustment factors, the County Assessor shall develop new factors.

Scope of Work – Final Ratio Study

35. Once all real property has been reviewed and final annual adjustment factors have been applied, a sales-assessment ratio study shall be completed by the County Assessor.

36. The final ratio study shall be performed using the methods or combination of methods acceptable under the Standard on Ratio Studies published by the International Association of Assessing Officers ("IAAO") or other acceptable appraisal methods approved by the Department in 50 IAC 21.

Final Review and Approval by the Department

37. The Department shall review the final ratio study to determine whether the re-trending work has resulted in accurate and equitable assessments in all classes of property.

38. If the Department finds errors in the accuracy or equity of assessment, the Department may reject the proposed assessments and direct the County Assessor to take any corrective action the Department deems necessary to achieve accurate and equitable assessments.

39. Pursuant to the requirements of 50 IAC 21, the ratio study prepared under this directive shall be approved in writing by the Department before the assessed values are rolled to the County Auditor. The Department may direct the County Assessor to take any corrective action the Department deems necessary to achieve accurate and equitable assessments.

Property Tax Billing and Payment Issues

40. The review required under Ind. Code § 6-1.1-9 does not require invalidation of previously established tax rates for Shelby County. All taxpayers will be required to pay their 2006-pay-2007 tax bills as calculated by the County Treasurer.

41. If the County Assessor believes any taxable real property has been omitted from or undervalued on the assessment rolls or the tax duplicate for any year or years, the County Assessor shall give written notice to the taxpayer, by mail, of the amount of the assessment or increase in assessment. Ind. Code § 6-1.1-9-1; Ind. Code § 6-1.1-4-22.

42. If any omitted or undervalued real property is assessed or its assessed valuation is increased, the County Assessor shall file with the County Auditor a written statement which contains: (1) the reasons why the action was taken; and (2) the facts or evidence on which the reasons are based (Form 122). Ind. Code § 6-1.1-9-1; Ind. Code § 6-1.1-9-2.

43. The process to correct errors in the tax duplicate shall be followed, including each property owners' right to petition to correct errors through use of the Form 133. Ind. Code § 6-1.1-15-12.

Assessment Appeals

44. All assessment appeals for the March 1, 2006, assessment date shall be processed by the local assessors in accordance with Ind. Code § 6-1.1-15.

45. If the County Assessor modifies an assessment under this directive that is under appeal, the County Assessor must send the notice required by Ind. Code § 6-1.1-9-1. Any appeal by the taxpayer shall be taken from Ind. Code § 6-1.1-9.

Cost of Review

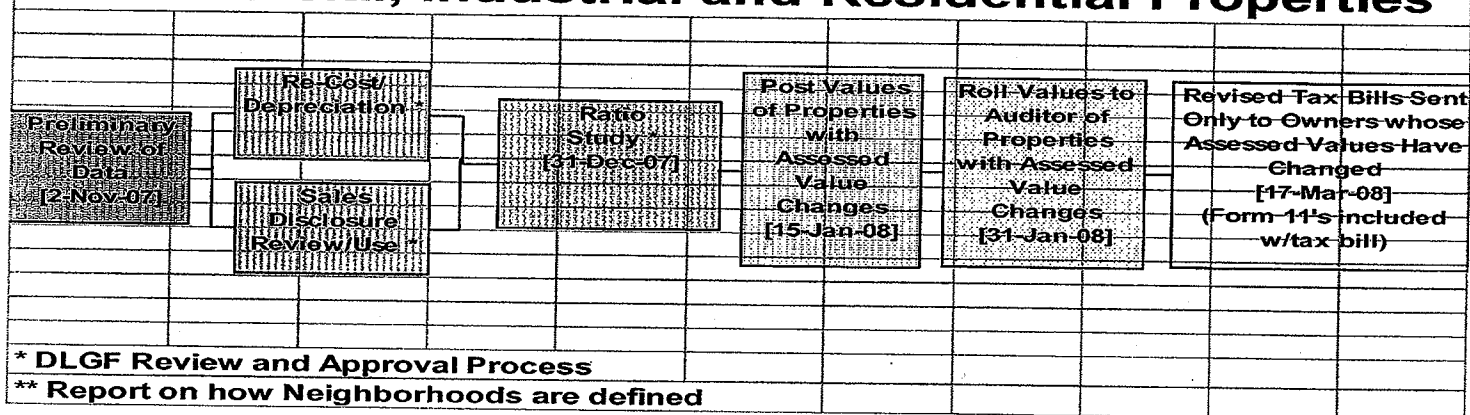
46. Pursuant to Ind. Code § 6-1.1-9, all costs incurred in reviewing and adjusting undervalued properties shall be paid from county funds. Unencumbered monies in the county reassessment fund may be used for the purposes of this review.

Effect on 2008 Budget Order

47. While the County Assessor is re-trending 2006-pay-2007 assessed valuations for residential, commercial, and industrial properties in accordance with this Directive, the County Assessor is hereby directed to begin and follow through with the annual adjustment process for 2007-pay-2008 assessed valuations using 2005 and 2006 sales data, and the cost, income, and

48. Because the assessed values determined using the process above may affect both the tax rates and levies for taxes first due and payable in 2008, the Department will not certify the 2008 Budget Order, including budgets, tax rates and tax levies, for Shelby County until the process described above has been completed. Ind. Code § 6-1.1-17.

Suggested Timeline for Shelby County Directive **Commercial, Industrial and Residential Properties**



Signed this 12th day of October, 2007.

10 of 11

Distribution:

O. Lynn Bass
Shelby County Assessor
25 West Polk Street, Rm 205
Shelbyville, Indiana 46176

Amy Glackman
Shelby County Auditor
25 West Polk Street, Rm 104
Shelbyville, Indiana 46176

Kathy Plunkett
Shelby County Treasurer
25 West Polk Street, Rm 102
Shelbyville, Indiana 46176

O. LYNN BASS
Shelby County Assessor
Courthouse Annex Room 205
25 West Polk Street
Shelbyville, Indiana 46176
(317) 392-6305

R E C E I V E D

JAN 04 2008

DEPT. OF LOCAL
GOV'T. FINANCE

Ms. Cheryl Musgrave, Commissioner
Department of Local Government and Finance
100 N Senate Avenue N1058(B)
Indianapolis Indiana 46204

Dear Ms. Musgrave,

This letter is in regards to the Shelby County Re-Trending Directive issued October 12, 2007.

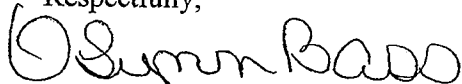
I am hereby requesting that an amendment in our Re-Trending order be allowed to Shelby County in order to receive new tax rates and to issue corrected tax statements to tax payers for the 06 pay 07 values. After much work and review by Nexus and our staff, we have found far more corrections than first anticipated. We feel that approximately 28,000 parcels will be affected by these corrections. In order to provide accurate values and statements and to move into 07 pay 08 with corrected number this would provide a more efficient and accurate solution to the situation.

Again, I would like to know why, due to cost and confusion to the taxpayers, why these corrections could not be adjusted with the 07 pay 08 tax statements. If corrected statements are going out in March and the 08 spring billing is due in May wouldn't it be more cost efficient to the County to do it all in one billing?

If at all possible, we would also like to request that all overpayments be applied to 2007 pay 2008 bills as we are anticipating statements to be sent within 60 days of 06 pay 07 corrective statements.

As always we appreciate all of your help and assistance you and your staff have given.

Respectfully,



O. Lynn Bass
Shelby County Assessor

Cc: John DePrez, Co Attorney
Amy Glackman, Co Auditor
Kathy Plunkett, Co Treasurer
John Mallery
Tim Rushenberg

O Lynn Bass
Shelby County Assessor
Courthouse Annex Room 205
25 West Polk Street
Shelbyville, Indiana 46176
(317) 392-6305

RECEIVED

JAN 18 2008

DEPT. OF LOCAL
GOV'T. FINANCE

Ms. Cheryl Musgrave, Commissioner
Department of Local Government and Finance
100 N Senate Avenue N1058(B)
Indianapolis, Indiana 46204

Dear Ms. Musgrave,

This is a follow up letter in regards to the Shelby County Re-trending Directive issued October 12, 2007.

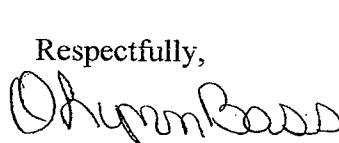
After reviewing the Re-trending summary prepared by Nexus, and after much discussion we are hereby requesting the following:

We, Shelby County Auditor, Amy Glackman, Treasurer, Kathy Plunkett, and County Assessor, O Lynn Bass would like to request that our directive be amended to allow our County to roll new values, receive new tax rates and issue complete corrected tax statements.

We feel that this will allow our offices to provide the most accurate and accountable results to the residents of Shelby County. In following the directive that you have provided, we were able to determine the County's errors and feel that we need to follow through with the steps needed to do a complete clean up of these problems.

Thank you for your consideration in this matter.

Respectfully,



O Lynn Bass
Shelby Co Assessor



Amy Glackman
Shelby Co Auditor



Kathy Plunkett
Shelby Co Treasurer

Cc: John C DePrez
John Mallers
Tim Rushenberg